

DEPARTMENT OF STATE REVENUE

**LETTER OF FINDINGS NUMBER: 98-0374P
Sales Tax and Withholding Tax
For The Period Ending April 30, 1998**

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ISSUE(S)

I. Tax Administration – Penalty

Authority: IC 6-8.1-10-2.1(d); 45 IAC 15-11-2

Taxpayer protests the penalty assessed.

STATEMENT OF FACTS

Taxpayer began filing EFT payments for sales and withholding taxes in 1998 and protests the penalty assessed for the late filing of its April 1998 sales tax and withholding tax. The department issued liabilities 98-0010519 and 98-0010581 on June 2, 1998 and on June 26, 1998, taxpayer protested the penalties assessed.

Taxpayer states it followed the guidelines in the State's handbook for both payments and received an indication that the transactions were made timely. Further, these were the first payments made via the new system. Taxpayer requests the waiver of penalties as the delinquencies were caused by an innocent mistake in the honest application of new payment guidelines, and that they have taken corrective action.

A review of the taxpayer's payment history indicates it had no prior late payments, however taxpayer was aware of its responsibility to make EFT payments timely. The April EFT payments are not the taxpayer's first, therefore, it is clearly aware that payments must be made timely.

I. Tax Administration –Penalty

DISCUSSION

Taxpayer states the payments were its first under the new system and has since processed the following month a day early to ensure that there will be no discrepancy over the date of payment and will continue to do so in the future.

Taxpayer however, has made prior payments via EFT for withholding and sales tax and is aware that a late payment penalty may be assessed for filing late.

The department finds that the penalty is proper.

FINDING

Taxpayer's protest is denied.